



Municipal Election November 2016 Belmont Streets and City Services Measure

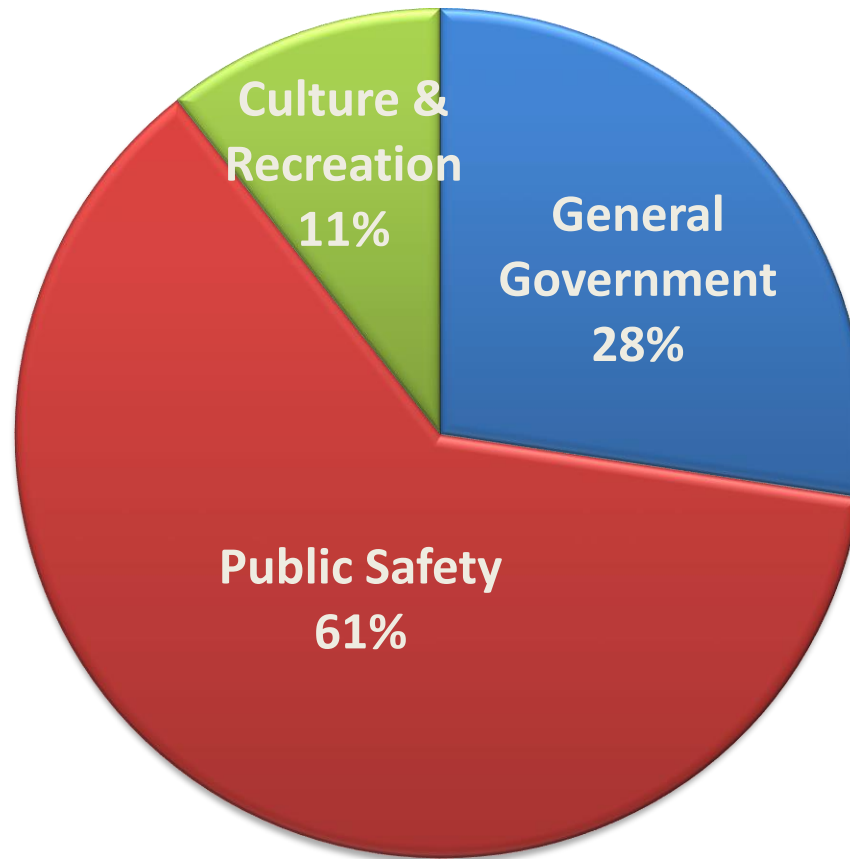
City Council Meeting

July 26, 2016



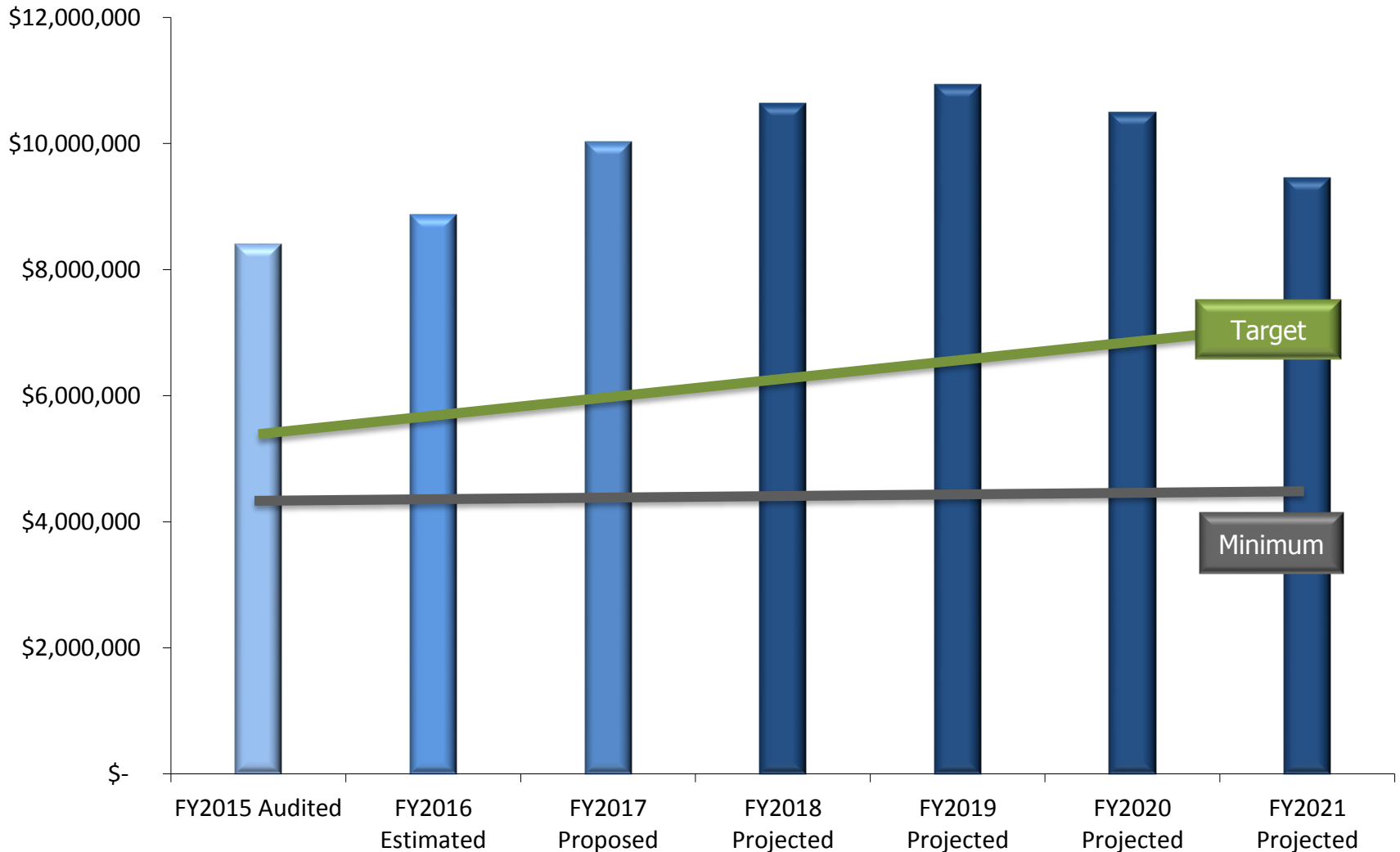
General Fund Budget

\$18.1 M



General Fund Balance

7-Year Trends & Projections

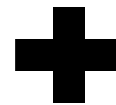
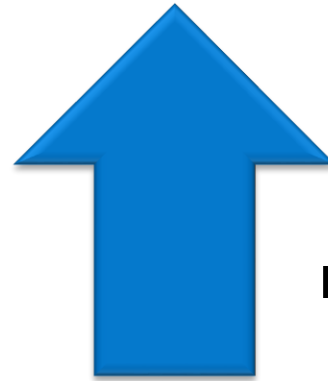


Two Messages Emerge from FY 2017 Budget

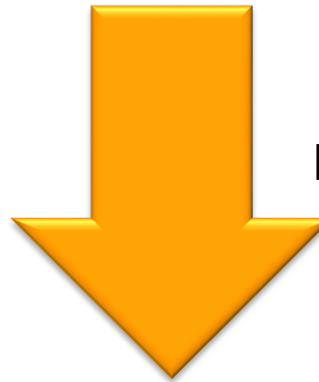
- **Stable operations**

- Budget reflects:

- Innovation
- **Strong fiscal discipline**
- Improved economy
- Sustainable employee benefits
- Invested in efficiency improvements, critical infrastructure, technology, and innovation to stabilize operating costs
- Focused on economic development – new businesses and housing



City Operations
Improved



City
Infrastructure
in Crisis

- **Aging infrastructure**

- \$135M unfunded crisis threatens stability
- Can not mitigate risk in any meaningful way

Deferred Infrastructure Needs

Storm Drain

\$57 M

Streets

\$42 M

Facilities

\$27 M

Parks

\$9 M



Deferred Infrastructure Needs

STREETS

Streets
\$43 M

Final Bay Area 2015 PCI Scores – Belmont

Current Level of Service by County and Jurisdiction

					2015 Annual PCI Score				Change		3YR Moving Average		
					Arterial	Collector	Residential	Network	2014 Network PCI	Change, 2014 to 2015	2013	2014	2015
Belmont	137.7	69.0	42%	19%	65	58	50	54	57	-3	55	56	55



Deferred Infrastructure Needs

Streets
\$43 M

Year-over-Year Ranking

Worst	2015
Larkspur	39
Petaluma	47
Martinez	48
Unincorporated Sonoma County	49
Orinda	50
Unincorporated Napa County	50
Millbrae	51
Cotati	52
Calistoga	53
San Leandro	54
Belmont	54
Suisun City	54

tie

tie

tie

96 out of 109



96 Out of 109 - Ranking among Bay Area Cities/Counties

Deferred Infrastructure Needs

Streets
\$43 M

Streets Capital Improvement Projects

Sources:

Section 2103 Gas Tax	\$525,000
Other Recurring Revenues	525,000
Total Sources:	\$1,050,000

Uses:

Pavement Maintenance (Distribution by Classification)^a

Residential	\$21,337,958
Collector	12,980,349
Arterial	3,821,355
Subtotal Pavement Maintenance	\$38,139,662

Priority Hillside Slippage Projects^b

7 High Priority Locations	TBD
Subtotal Priority Hillside Slippage Project Cost	\$TBD^c

Traffic Asset Renewal Projects

Traffic Signals	\$TBD ^d
115 Lantern-style fixtures with direct burial wood poles	1,100,000
Streetlight Steel Pole Replacements	3,380,000
\$450,000 of this project has been funded	(450,000)
Subtotal Traffic Asset Renewal Project Cost	4,030,000
Total Uses	\$42,169,662

^a Level of expenditure required to raise the City's pavement condition to an optimal network PCI of 82 and eliminate the current maintenance and rehabilitation backlog, based on the 2015 Street Condition Assessment Report.

^b Rough estimate.

^c A rough estimate puts the cost of repairs between \$1,900,000 to \$2,500,000.

^d A rough estimate puts the cost of renewal between \$500,000 to \$1,000,000.



Deferred Infrastructure Needs

STORM DRAINAGE

Storm Drain
\$57 M

- The Master Plan identifies deficiencies within the City storm drain system.
- Areas without drainage facilities, failing corrugated metal storm drain lines, and undersized storm drain lines.
- Deficient storm drainage causes various problems including increased infiltration to the sewer system, flood related damage and roadway deterioration.
- Flooding has various impacts including property damage and roadway embankment damage.
- Uncontrolled runoff causes local scour that can damage roadways and underground utility systems, including washout of sewer systems, causing releases of untreated sewage.



Deferred Infrastructure Needs

Storm Drain
\$57 M

Storm Drain Capital Improvement Projects

Sources:

No dedicated source of funding	\$0
Total Sources:	\$0

Uses:

Improvements to Eliminate Property Flooding	\$20,200,000
Replace/Rehabilitate Deficient Pipes	29,300,000
Installation of Curb and Gutter Improvements	3,300,000
Creek Improvements	2,800,000
Water Dog Lake Siltation Removal ^a	1,500,000
Total Uses	\$57,100,000

^a Needed for safety of dam



Community Engagement

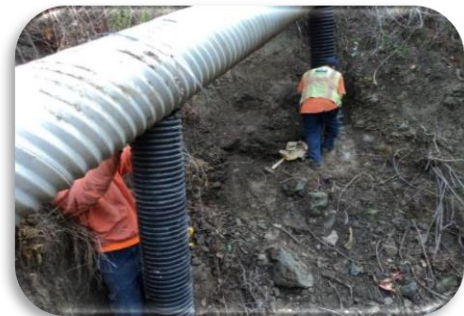
A Conversation About the Future of Belmont...

- Aging infrastructure leads to community engagement effort and focus on highest priorities
 - Over two thousand respondents indicated their priorities
 - The top community priorities conveyed include:
 - Maintaining 911 emergency response times and neighborhood police patrols;
 - Fixing streets;
 - Improving storm drains;
 - Fortifying fiscal strategies and guaranteeing revenue streams that cannot be taken by the state.
- Challenge for the City to be responsive
 - Current fiscal limitations
 - State has taken over \$16M last 20 years

Community Engagement

(continued)

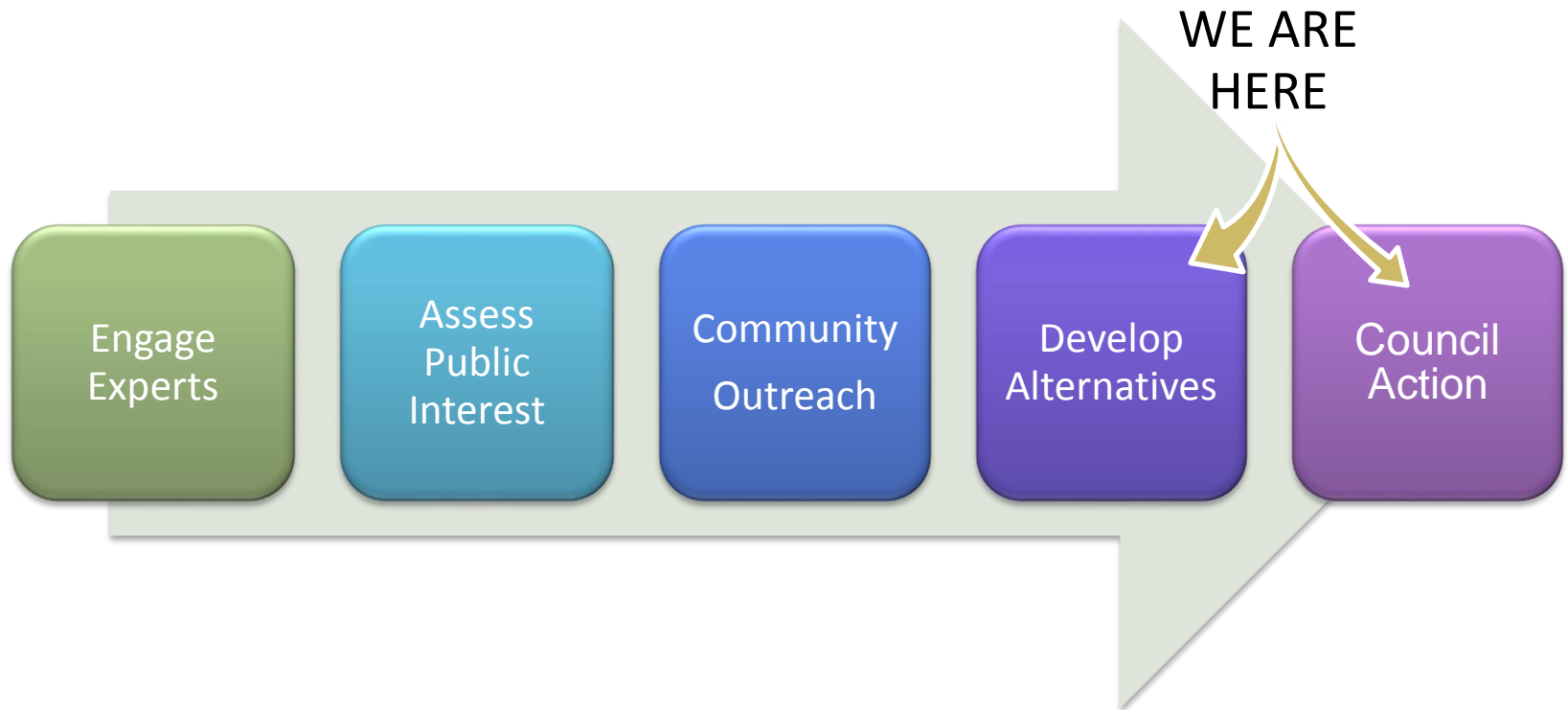
- While City has practiced prudent fiscal management through a number of ways, Belmont's infrastructure and public safety needs require additional investments:
 - **\$135 M in infrastructure needs. Our streets, sidewalks, and alleys are degraded. We are falling behind every year, and costs to upgrade public infrastructure increases disproportionately**
 - **City storm drain systems need to be upgraded for neighborhood protection and improved water quality**
 - **Need to maintain 911 response time and public safety response citywide**



FY 2017 Council Priority

Strategic Plan

Develop alternatives for long-term capital financing of Sewer, Storm, Streets, Facilities, and Parks to address deferred maintenance and future capital needs along with a plan to support critical public services.





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City of Belmont: Highlights of Community Priorities Survey

July 2016

The City of Belmont commissioned Godbe Research to conduct a survey of local voters with the following research objectives:

- Assess potential respondent interest in a local funding measure for maintaining general City services, infrastructure and facilities with revenue that cannot be taken by the State;
- Prioritize projects and programs to be funded with the proceeds;
- Test the influence of balanced information on all sides of those issues on measure viability
- Identify the type of funding mechanism and duration at which respondents will consider the measure; and
- Identify any differences in voter support due to demographic and/or voter behavioral characteristics.

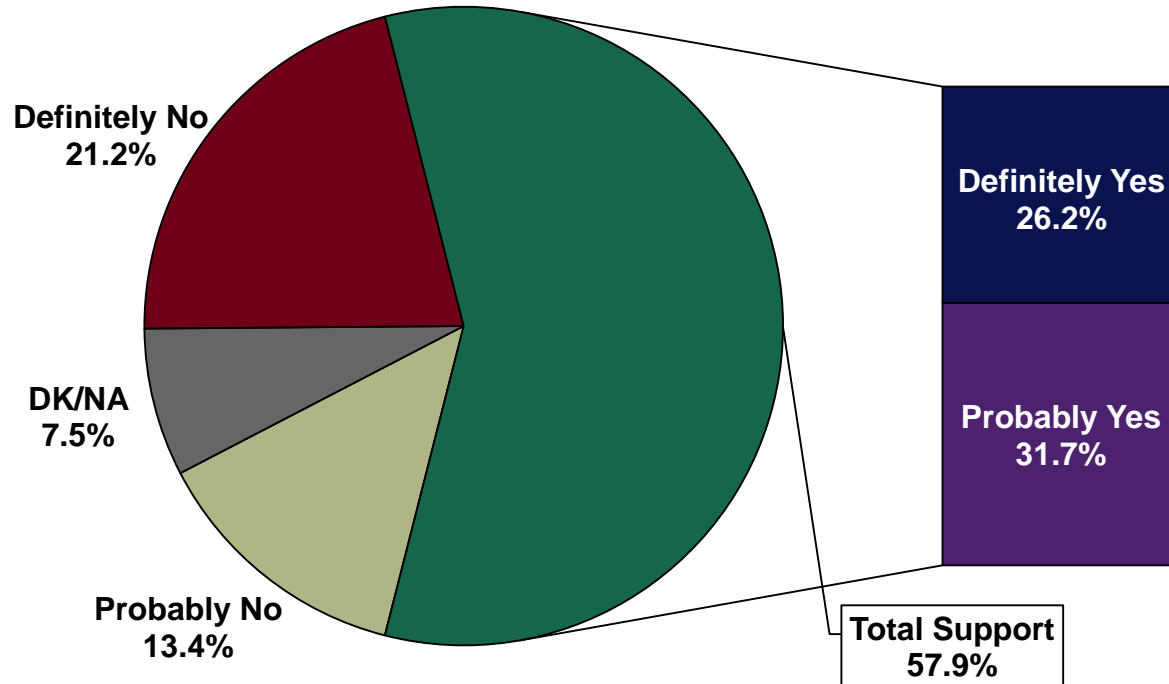
➤ Data Collection	Telephone and Internet Interviewing
➤ Universe	14,111 likely November 2016 voters in the City of Belmont
➤ Fielding Dates	April 27 through May 8, 2016
➤ Interview Length	20.5 minutes
➤ Sample Size	464 (Online 265; Phone 199)
➤ Margin of Error	$\pm 4.47\%$

The data have been weighted to reflect the actual population characteristics of likely voters in the City of Belmont in terms of their gender, age, and political party type.

Q1. Uninformed Support for a Conceptual General Sales Tax is in Excess of the Simple Majority Requirement



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To provide local funding for maintaining general City of Belmont services and facilities, such as:

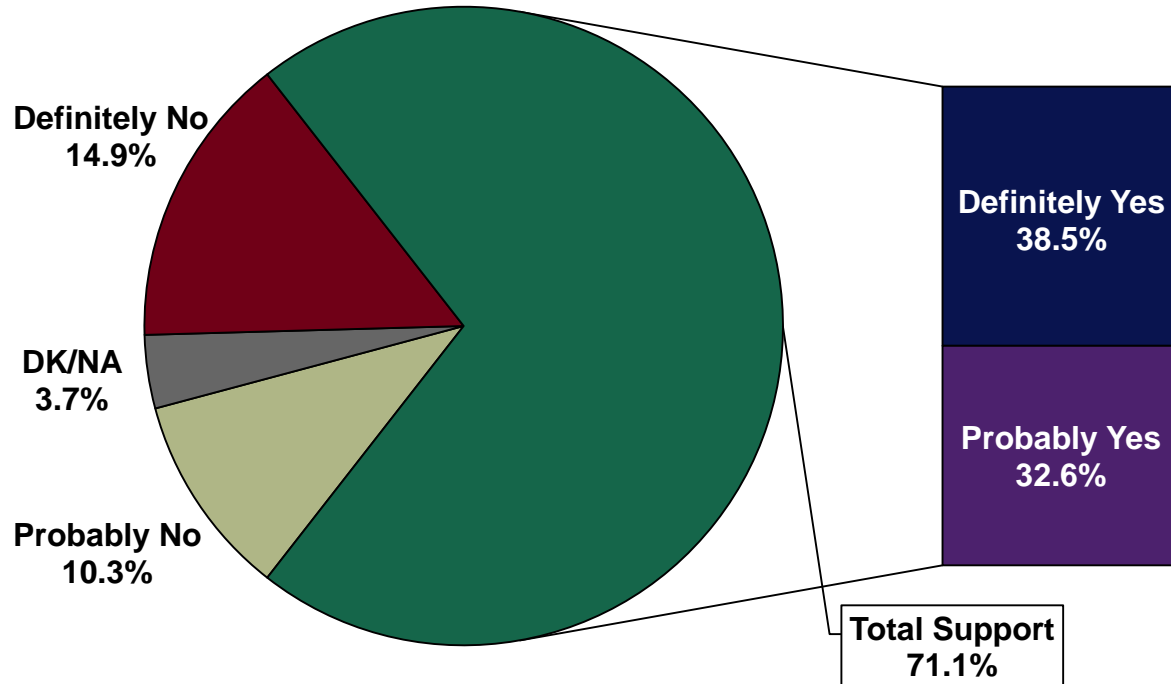
- fixing potholes;
- repairing streets and storm drains;
- maintaining 9-1-1 emergency response and neighborhood police patrols;
- reducing congestion and improving safety on streets;
- protecting Bay water quality; and
- maintaining parks, open space, and modernizing sports fields;

shall Belmont enact a 1/2 cent sales tax, providing \$1.5 million dollars annually for 30 years, requiring citizen's oversight, independent annual audits, with all funds for City of Belmont services only, and no funds for Sacramento? If the election were held today, would you vote yes or no on this measure?

Q2. Uninformed Support for a conceptual Special Sales Tax is Within the Margin of Error



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To provide local funding to repair Belmont's infrastructure and facilities, such as:

- fixing potholes;
- repairing aging streets and storm drains;
- reducing traffic congestion and improving safety on streets;
- protecting water quality in creeks and the Bay; and
- maintaining parks, open space, and modernizing sports fields;

shall Belmont enact a 1/2 cent sales tax, providing \$1.5 million dollars annually for 30 years, requiring citizen's oversight, independent annual audits, with all funds for City of Belmont services only, and no funds for Sacramento? If the election were held today, would you vote yes or no on this measure?

Understanding a Mean



In addition to the analysis of the percent of the responses, some results are discussed with respect to an average score. To derive the overall influence of a feature in the Community Priorities questions, a number value was assigned to each response category – in this case “Much More Likely” = +2, “Somewhat More Likely” = +1, “No Effect” = 0, “Somewhat Less Likely” = -1, and “Much Less Likely” = -2. The number values that correspond to respondents’ answers were then averaged to produce a final score that reflects the overall importance of an issue. The resulting mean score makes the interpretation of the data considerably easier.

For the Community Priorities and Informational Statements questions of the survey, the reader will find mean scores. These mean scores represent the average response of each group. The table to the right shows the scales for each corresponding question. Responses of “DK/NA” were not included in the calculations of the means for any question.

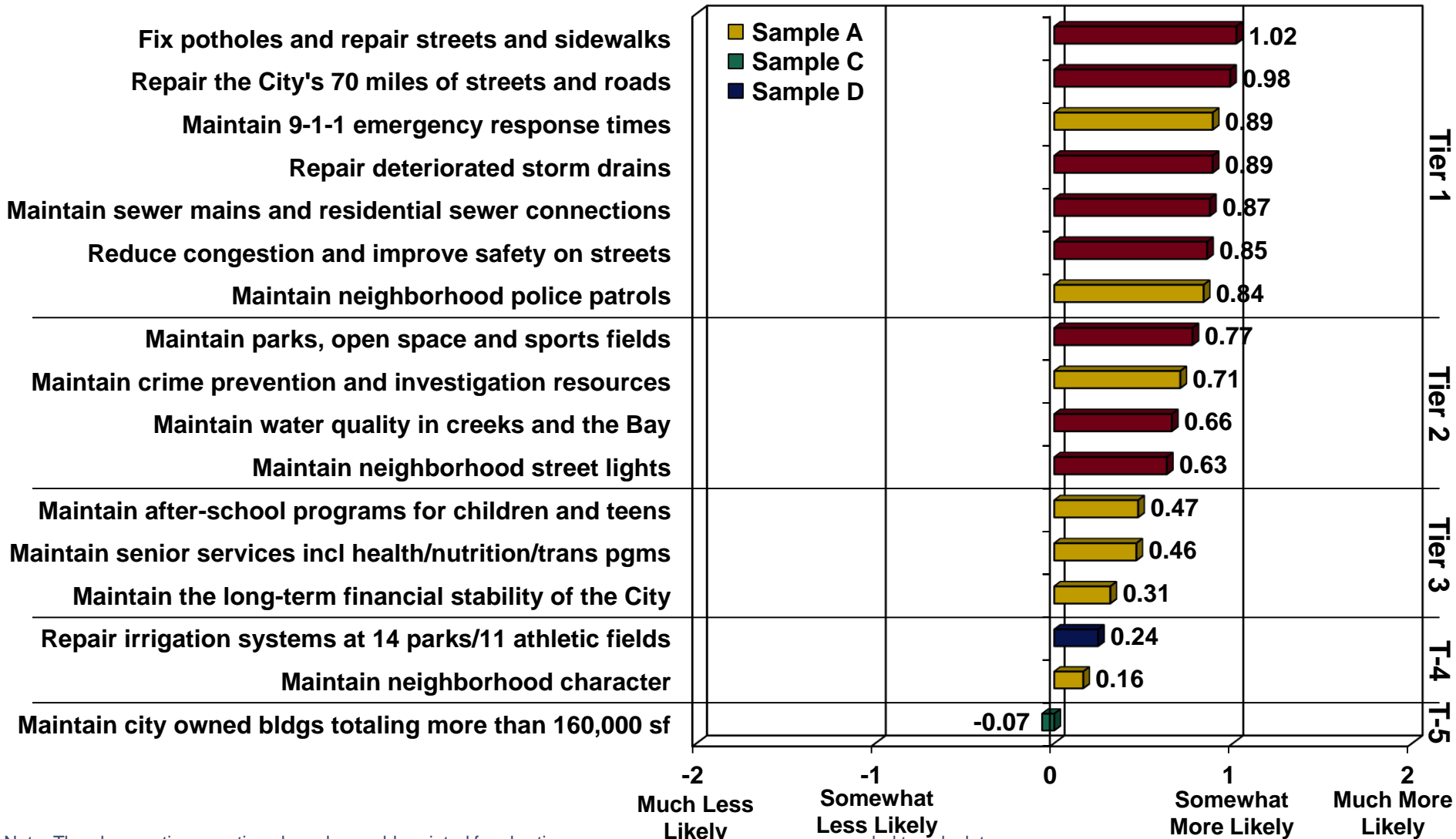
As the table at the right shows, the scales for the Community Priorities and Informational Statements differ slightly. This is because the context of the two questions differs and the “less likely” responses do not make sense to respondents in the context of Informational Statements question set.

Measure	Scale	Values
Community Priorities (page 8 & 9)	+2 to -2	+2.0 = “Much More Likely” +1.0 = “Somewhat More Likely” 0.0 = “No Effect” -1.0 = “Somewhat Less Likely” -2.0 = “Much Less Likely”
Informational Statements (page 10)	+2 to 0	+2.0 = “Much More Likely” +1.0 = “Somewhat More Likely” 0.0 = “No Effect”

Community Priorities



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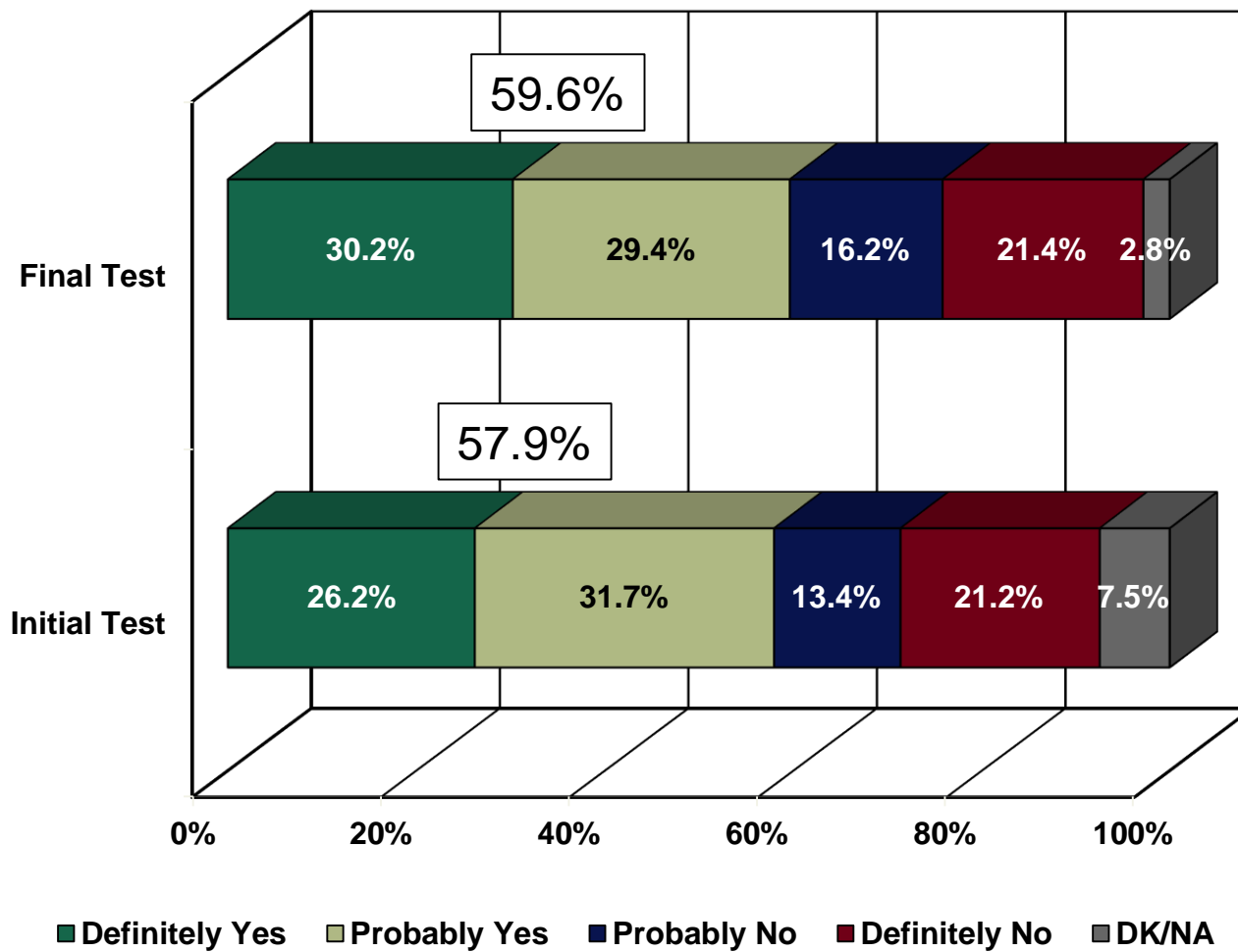


Note: The above rating questions have been abbreviated for charting purposes, and responses were recoded to calculate mean scores: "Much More Likely" = +2, "Somewhat More Likely" = +1, "No Effect" = 0, "Somewhat Less Likely" = -1, and "Much Less Likely" = -2.

Q6. Informed Support for a conceptual General Sales Tax Remains Above the Simple Majority Requirement Threshold



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To provide local funding for maintaining general City of Belmont services and facilities, such as:

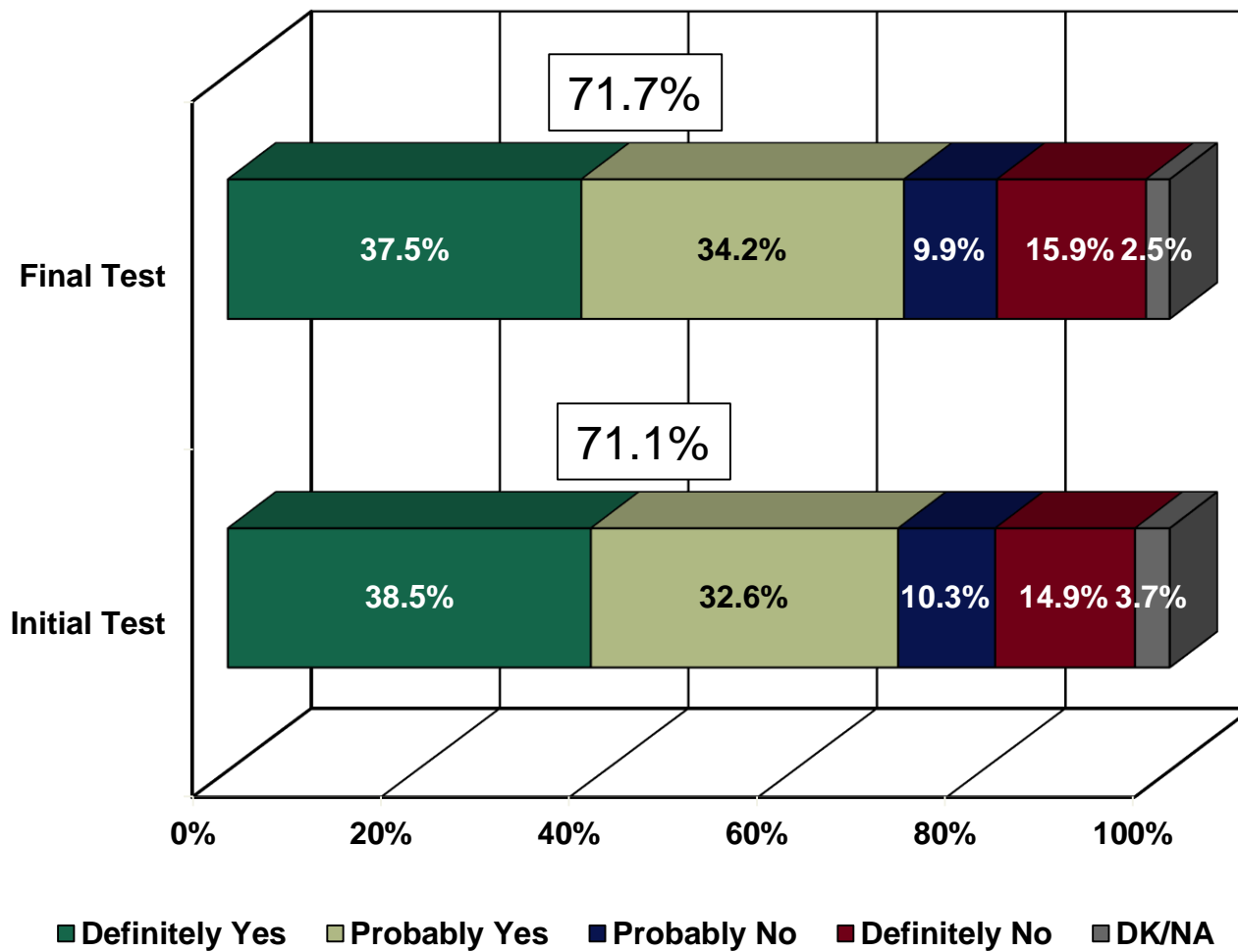
- fixing potholes;
- repairing streets and storm drains;
- maintaining 9-1-1 emergency response and neighborhood police patrols;
- reducing congestion and improving safety on streets;
- protecting Bay water quality; and
- maintaining parks, open space, and modernizing sports fields;

shall Belmont enact a 1/2 cent sales tax, providing \$1.5 million dollars annually for 30 years, requiring citizen's oversight, independent annual audits, with all funds for City of Belmont services only, and no funds for Sacramento? If the election were held today, would you vote yes or no on this measure?

Q9. Informed Support for a Conceptual Special Sales Tax Remains within the Margin of Error



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To provide local funding to repair Belmont's infrastructure and facilities, such as:

- fixing potholes;
- repairing aging streets and storm drains;
- reducing traffic congestion and improving safety on streets;
- protecting water quality in creeks and the Bay; and
- maintaining parks, open space, and modernizing sports fields;

shall Belmont enact a 1/2 cent sales tax, providing \$1.5 million dollars annually for 30 years, requiring citizen's oversight, independent annual audits, with all funds for City of Belmont services only, and no funds for Sacramento? If the election were held today, would you vote yes or no on this measure?

Survey Summary



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- The Survey revealed substantial support for two conceptual Belmont funding measures
 - The conceptual general sales tax registers support above the necessary threshold for passage, while the conceptual special sales tax registers support within the margin of error
- Key community priorities include:
 - Fixing potholes and repairing streets and sidewalks
 - Repairing the City's 70 miles of streets and roads
 - Maintaining 9-1-1 emergency response times
 - Repairing deteriorating storm drains
 - Maintaining sewer mains and residential sewer connections
 - Reducing congestion and improve safety on streets, including Alameda and Ralston
 - Maintaining neighborhood police patrols
- Key information respondents want to understand include:
 - Belmont's streets and roads are the worst in the County and rank among the lowest 7% in the entire Bay area. Our streets are deteriorating and riddled with racks, and many are on steep hillsides.
 - Belmont's 50-year-old storm drain system is completely inadequate to deal with major storms, and some neighborhoods have no storm drains at all. Whenever it rains, drains back up, causing flooding.
 - This measure will give Belmont local control over local funds for local needs – requiring that our tax dollars are spent for Belmont residents. No funds can be taken by Sacramento.
 - The City's storm drain infrastructure is over 50 years old and many pipes are completely deteriorated and rusted through. Improving local storm drains will help protect the environment and water quality by reducing runoff
 - Funding from a potential measure will improve the safety on streets and roads like Alameda and Ralston, and on our neighborhood streets too.
- The City of Belmont should continue plans to allow Belmont residents to consider a general sales tax measure.



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Council Action

- **Ask voters to consider the following ballot measure:**
 - Half-cent sales tax for general purposes.
(Requires majority vote to pass)
 - Tax generates approximately \$1.3 M annually
 - Additional tax on a \$10 item would be 5¢
- **Protections for Residents – Safeguarding of Funds**
 - Sunset after 30 years
 - Requires annual audit
 - Citizen oversight committee
 - Budget transparency – award winning financial reporting





Recommendation:

- Resolution Calling for Special Election to Approve Local Half-cent Sales Tax for General City Purposes
- Ordinance Establishing Local Transaction and Use Tax

Let Voters Decide

- Election – November 8, 2016
- If approved, take effect on April 1, 2017